



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 499

**Assembly Substitute
Amendment 1**

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Assembly Substitute Amendment 1 makes a number of changes in the laws relating to historic buildings, downtown development, and certain highway projects. The substitute amendment is substantially similar to Assembly Bill 499, as originally introduced. The few changes made to the bill are noted in the summary below. For a more detailed description of the substitute amendment, reference should be made to the Legislative Reference Bureau analysis to the substitute amendment.

PROVISIONS RELATING TO HISTORIC BUILDINGS

The substitute amendment:

1. Requires the Department of Commerce (“Commerce”) to interpret the State Historic Building Code (“Code”) liberally to facilitate the preservation and restoration of qualified historic buildings (generally, those on a registry of historic properties).
2. Creates a process for Commerce to review decisions by local governments regarding compliance with a local ordinance or regulation to determine if the local ordinance or regulation is in conflict with the Code.
3. Provides an informal process for the State Historical Society (SHS) to review certain Commerce or local government decisions regarding historic buildings and to negotiate possible changes in those decisions.
4. Makes an appropriation to SHS to provide funding to contract for a survey to identify and document historic properties in rural areas of Wisconsin.
5. Requires SHS to promulgate rules for the certification of qualified expenses relative to the preservation or rehabilitation of historic properties in order to receive state rehabilitation tax credits.

6. Directs local governmental units to liberally interpret their historic structures regulations to facilitate the preservation and restoration of historic buildings and structures.
7. Increases to 20%, minus 2% in certification fees, the state income tax credit that supplements the federal tax credit for renovation of historic buildings and specifies circumstances in which a person may claim the state credit. Under current law, some persons would receive no state tax credit and others would receive a credit equal to 5% of expenses. Under the original bill, the credit would be 20% of eligible expenses, minus 1% in certification fees.
8. Specifies that SHS will collect fees equal to 2% of the amount of qualified expenses for certifying those expenses for persons claiming the state rehabilitation tax credit. Under the original bill, the SHS fees would have been 1% of the amount of qualified expenses for certifying qualified rehabilitation expenses.

PROVISIONS RELATING TO DOWNTOWN DEVELOPMENT

The substitute amendment:

1. Requires Commerce to publish guidelines to aid communities in reconstructing business districts destroyed or severely damaged in major disasters and to promulgate rules for the certification of downtowns.
2. Requires the Department of Tourism to promote travel to certified downtowns and to business areas revitalized under the state's Main Street Program.
3. Provides that the State Building Commission cannot authorize construction or leasing of any state office building away from a certified downtown area, with certain cost-related exceptions.
4. Requires Commerce, in consultation with SHS, to develop an informational pamphlet designed to increase awareness and use of the Code.
5. Increases the appropriations to Commerce by 2.0 FTE PR positions for administration of downtown development and business district reconstruction, funded from fees collected by SHS for certifications of qualified expenses from persons who receive a state historic rehabilitation tax credit under the substitute amendment. (See item 8., above, regarding the fees.) Commerce will receive 50% of the amounts collected to fund the 2.0 PR positions. In addition, the SHS would receive 1.0 FTE PR position for administration of the certification of historic properties, also funded by the certification fees. The bill, as introduced, would have reallocated 4.0 FTE GPR positions within Commerce to its Bureau of Downtown Development.

PROVISIONS RELATING TO HIGHWAY PROJECTS

1. Imposes additional requirements for Department of Transportation (DOT)-funded highway projects, including advance consultation on the project's impact, involving a highway in a business area included in the Main Street Program or a certified downtown.

2. Requires DOT, prior to construction of an approved major highway project involving a bypass, to notify a local governing body affected by such a project that the department is authorized to construct the bypass.
3. Requires DOT to construct an active bypass (one designed and constructed so that access to the bypass requires motorists to leave the existing highway) if the local government adopts a resolution that an active bypass is in the best interest of the community.

LEGISLATIVE HISTORY

The Assembly Committee on Tourism held a public hearing on the bill on September 24, 2003. On February 10, 2004, Representatives Schooff and Shilling introduced Assembly Substitute Amendment 1. In executive session on February 10, 2004, the Assembly Committee on Tourism adopted the substitute amendment and recommended passage of the bill, as amended, both on votes of Ayes, 10; Noes, 0.

PS:jal;ksm